

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 029237
ORIGIN XMB-04

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02
CIEP-01 OMB-01 /047 R

DRAFTED BY XMB:DWRENGERS/AA
APPROVED BY EB/IFD/ODF:FHTHOMAS
XMB:RDCRAFTON
ARA/CEN:MPLATT (INFO)
-----100512Z 115950 /11
R 091716Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY GUATEMALA

LIMITED OFFICIAL USE STATE 029237

E.O. 11652: NA
TAGS: EGEN
SUBJ: PACIFIC-ATLANTIC COAST OIL PIPELINE

1. EXIMBANK HAS RECEIVED UNOFFICIAL INQUIRY FROM WESTINGHOUSE CORP. AND THE HOWARD P. FOLEY CO. (ELECTRICAL CONSTRUCTION), PHILADELPHIA, ABOUT ASSISTANCE IN FINANCING \$100 MILLION OF U.S. EQUIPMENT AND SERVICES. TOTAL PROJECT COSTS INCLUDING LOADING AND UNLOADING FACILITIES AND TANK FARMS AT ATLANTIC AND PACIFIC COAST ESTIMATED AT \$600 MILLION. THE 270 MILE 42" PIPELINE WOULD GO FROM BUENA VISTA TO CABO DO TRES PUNTAS ALONG THE SOUTHERN GUATEMALAN BORDER. ITS DAILY CAPACITY WOULD BE ONE MILLION BARRELS. ITS PURPOSE WOULD BE TO MOVE ALASKAN OIL TO GULF COAST AND SOUTHERN SEABOARD. COMPLETION TARGET 1979.

2. THE PIPELINE WOULD BE OWNED BY CENTRAL AMERICAN PIPELINE COMPANY (CAPICO)(A GUERNSEY CORPORATION), ITS MAJORITY OWNED SUBSIDIARY INTERMARES S.A., 1CALLE 7-21, ZONA 9, TEL. 66067, GUATEMALA CITY, WOULD BUILD AND OPERATE THE PIPELINE. FENIX
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 029237

CONSTRUCTORA LTD., A LIMITED PARTNERSHIP BY SOME OF THE OWNERS OF INTERMARES, WOULD HANDLE CONSTRUCTION. IT HAS A 55PCT. GUATEMALAN INTEREST AND 45PCT. U.S. PRIMARILY CONTRACTORS/ENGINEERS SUCH AS BRENNAN BROS., NEW JERSEY, SVERDRUP & PARCEL, ST. LOUIS, AND JOHN W. MACHIN ASS., HOUSTON. REPORTEDLY THE GOG HAS APPROVED THE PROJECT AND SUCH COMPANIES AS TEXACO, EXXON, AND MOBILE ARE INTERESTED.

3. INTERESTED FOREIGN SUPPLIERS ARE MANNESMAN, GERMANY, AND ENTREPOSE, FRANCE. EACH REPORTEDLY FOR \$200 MILLION WITH GOVERNMENT SUPPORTED FINANCING.

4. SINCE AVAILABLE DATA ARE SKETCHY, EXIMBANK WOULD APPRECIATE EMBASSY'S COMMENTS ON PROJECT AND ON CAPICO, INTERMARES, AND FENIX WHICH AT THIS MOMENT APPEAR TO BE SHELL CORPORATIONS, AND ON FERNANDO GALLO-ZELAYA WHO IS THE PRIME MOVER. GALLO SIGNS CORRESPONDENCE AS LEGAL REPRESENTATIVE OF CAPICO AND INTERMARES. GALLO GAVE U.S. SUPPLIERS IMPRESSIONS THAT HE IS CLOSE TO THE PRESIDENT OF GUATEMALA AND MINISTER OF FINANCE.

5. PLEASE ADDRESS REPLY ATTENTION CRAFTON, EXIMBANK. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, CONSTRUCTION, PIPELINES
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE029237
Document Source: CORE
Document Unique ID: 00
Drafter: DWRENGERS/AA
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770047-0456
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770257/aaaabyqn.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: accb18c9-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3362306
Secure: OPEN
Status: NATIVE
Subject: PACIFIC-ATLANTIC COAST OIL PIPELINE
TAGS: EGEN, ENRG, ECRE, US, GT, XMB, WESTINGHOUSE CORP, HOWARD P FOLEY CO
To: GUATEMALA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/accb18c9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009